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3 October 1956

MEMORANDUM FOR: General Counsel

OGC HAS REVIEWED.

SUBJECT : Alert Documents

1. You have requested that I comment on Alert Documents Nos. 12, 15, 16 and on the "Emergency Manpower and Production Proclamation by the President of the United States of America" from the standpoint of the possible effect (a) on the wartime operations of this Agency of their provisions.

2. Alert Document No. 12, "Presidential Proclamation of Economic Stabilization. This document states the general policy of the President in the field of economic stabilization and, within that policy, the legislation which the President will seek from the Congress in order to cope with the emergency in the economic field.

a. Subparagraph e of the 6th paragraph speaks of debt deferment on pre-attack obligations where underlying assets or earning power have been destroyed. Assuming such debt and deferment to run against the Government, this provision may have an adverse effect on the Agency in those instances in which physical assets previously held by the Agency have been disposed of to outsiders on a time payment basis. It has been my experience that these instances are not numerous and are chiefly in the operational field. Hence, the adverse effect probably will be minimal.

b. Paragraph 8 of the document declares the President to have instructed the Director of the Office of Defense Mobilization (ODM) to impose a general freeze on wages, salaries and rents. Again assuming this to run against the Government, the effect on Agency operations would be a salutary one in so far as such a freeze would reduce overhead expenses attributable to rent and wages.

3. "Emergency Manpower and Production Proclamation by the President of the United States of America." Paragraph 4 of this proclamation provides for the delegation by the President to the Director, ODM, of all authority vested in the President by the Constitution and by Federal law to mobilize civilian manpower to meet national needs. At the moment, the President has no authority as regards manpower mobilization which would have a direct adverse effect on the operations of the Agency. However, given enabling legislation by the Congress on that subject, and assuming the prospective character of this delegation, Agency personnel conceivably could be shifted out of the Agency at the discretion of the Director, ODM. As a practical matter, how-

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ever, it is doubtful that this authority would be exercised to the detriment of the Agency as I believe we can assume that the Agency will have a high priority on manpower resources in the event of war, which priority would be exercised on its behalf by ODM. Thus, this provision probably would work in the Agency's favor.

4. Paragraph 5 of the Proclamation declares the delegation by the President to the Director, ODM, of Presidential authority to mobilize industry to meet national needs. What has been said in the preceding paragraph as regards manpower mobilization is generally true of industrial mobilization. Again, this provision can be expected to operate in the Agency's favor, for example, in the TBS and Logistics field where procurement from private industry is heavy.

5. Alert Document No. 15, "Emergency Defense Mobilization Order No. 1." This order establishes the War Communications Administration (WCA), the War Stabilization Administration (WSA), and the War Health Administration (WHA) and makes certain general provisions relating to all three.

a. Section 102 (a) states the functions of the WCA, inter alia to develop programs and policies for the use of all available wire facilities and radio frequencies subject to the jurisdiction of the United States. The authority to so do, which should be exercised by the Administrator, WCA, conceivably could have an adverse effect on the telephone and radio communications systems employed externally by the Agency. This is a real possibility in view of the fact that a great many of these facilities may have been destroyed by nuclear attack with a resulting overload on those remaining despite a priority which probably would be accorded the Agency use of them.

b. Section 102 (b), inter alia, requires the compliance by government agencies with WCA directives and the submission by such agencies to the WCA of "such reports as may be required." The submission of these reports might pose a security problem with the Agency unless this requirement could be waived, as regards CIA, within the government family.

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6. Alert Document No. 16, "Emergency Defense Mobilization No. Establishing the War Transport Administration and Defining its Functions And Duties."

a. Part 1 of this document establishes the War Transport Administration (WTA) subject to the control of ODM. Section 103 gives the Administrator WTA, wide jurisdiction over all air, sea, and domestic surface transport, storage and port facilities, public and private, subject to the control of the United States except such facilities as are organic, or allocated, to DOD, the Department of Defense. It further authorizes such administrator to formulate, and promulgate all necessary transportation policies, plans and programs with respect to transportation, storage, and port facilities. The exercise of this authority conceivably could have an adverse effect over the Agency's operation of its "private" surface and air transport facilities, (excepting such facilities as are covertly owned or controlled, i.e., CAT). Again, priority treatment of such facilities belonging to CIA may be achieved within Federal circles, thus mitigating this adversity.

b. Part Three of the document establishes the Office of Domestic Service Transport and Storage under the WTA, the Director of which office is given broad powers for the operation of domestic port and storage facilities. This conceivably could result in the preemption of CIA storage facilities, again subject to mitigation by the establishment of priorities within the Federal Family.

7. Part 5 establishes the Office of Air Transport, OAT, under the WTA, and it grants broad powers with regard to the operation of air transport facilities. As indicated, this could affect the operation of airplanes directly subject to Agency control.

8. Part 6 of the document authorizes the transfer of personnel property and records used in connection with transport, storage, and port facilities to WTA. Such a transfer could have serious security implications as regards personnel, property and records of this Agency used in connection with its surface and air transport facilities.

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9. I think we can sum up with the following. The Alert Documents grant broad authorities to various emergency administrations to function in fields in which the Agency functions in varying degrees. In terms, the grants of these authorities pose threats of interference with the Agency's conduct of certain of its administrative functions. However, and as alluded to previously, considering that the primary impact of these directives is on private industry, that the Agency is a member of the enforcing entity, the Federal Government, and that great deference to the Agency's wishes in these matters reasonably can be expected because of its function in the defense complex, I anticipate, in the event of the execution of the Alert Documents, difficulty to this Agency arising only from attempting to either achieve priorities or preserve autonomy in the affected fields.

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